

Authorisation to incur expenditure or distribute grants/appropriations to the extent of the provisions in the Budget Estimates for 1969-70.

OFFICIAL MEMORANDUM

No. FD 38 BUD 69, BANGALORE, DATED THE 3RD APRIL 1969.

Demands for grants for 1969-70 passed by Legislature.—The Mysore Legislature has voted without reduction the demands for grants for the year 1969-70, as presented to the Legislature on 24th February 1969. The Mysore Appropriation (No. 3) Act, 1969 which received the assent of the Governor on 31st March 1969 is published as Mysore Act No. 6 of 1969 in Part IV Section 2B in the *Mysore Gazette* (Extraordinary) dated 31st March 1969 showing the Voted Grants and Charged Appropriations authorised to be paid out of the Consolidated Fund of the State during 1969-70.

2. *Departments Authorised to incur Expenditure.*—The provisions shown in the Budget for the year 1969-70, copies of which have already been supplied to all the Heads of Departments, Divisional Commissioners, Chief Engineers, Deputy Commissioners, etc., should be treated as final. The District Officers of the various departments have also been supplied with Budget copies through the Deputy Commissioners. The Chief Controlling Officers may distribute the grants among the subordinate Controlling Officers and Drawing Officers under their control without further delay. There lumpsum provisions have been made, the break-up for lumpsum provisions will have to be furnished and got approved wherever necessary.

3. *Need for Economy.*—In view of the difficult financial position of the State, instructions have been issued in several orders of Government enforcing certain measures to effect economy in Government expenditure. Particular reference is invited to G. O. No. FD 10 BPL 68 dated 8th October 1968 regarding economy measures and increase in resources. The instructions contained therein should be adhered to and wherever any possible cuts could be effected, the Heads of Departments should send up proposals to Government. *No Heads of Departments or other Estimating Officer can incur expenditure in excess of the Budget provisions only on the ground of having sent up some proposal to Government and Officers concerned will be held personally responsible for exceeding the Budget provision.* It is proposed to enforce reduction in the grants in case the financial position does not improve. No proposals for additional grants will be entertained by Government except where Government may direct such additional expenditure being incurred or where additional expenditure becomes inevitable under extraordinary circumstances like Famine conditions, Floods, etc. Even, here, while immediate relief may not require much expenditure, there will be sufficient time for the authorities to obtain prior sanction of Government before incurring any substantial expenditure.

4. *Provision for Centrally Sponsored Schemes*—The provision for Centrally Sponsored Schemes is made generally with reference to actual Central assistance communicated by the Government of India in the current year. In the event of larger Central assistance than anticipated specifically becoming available, larger provisions would be made available through Supplementary Estimates in the course of the year. In any case, if provisions made for Centrally Sponsored Schemes are found to be excessive with reference to actual assistance, it will have to be formally surrendered, immediately the Central assistance is communicated.

5. *No Expenditure in anticipation of Sanctions.*—Some Heads of Departments have, in the past, incurred excess expenditure over the Budget grant in anticipation of reappropriation of funds. Similarly, expenditure on items falling under the category of 'New Service' has been incurred in anticipation of an advance from the Contingency Fund. Such expenditure should not be incurred in future by the Heads of Departments unless an advance from the Contingency Fund has

been sanctioned by the Finance Department pending recoupment through the Supplementary Estimates. Finance Department will sanction advances provided there is sanction for the expenditure and the same is required to be incurred immediately.

6. It should be clearly understood that it would be irregular to incur any expenditure on a 'New Service' item in anticipation of regularisation of such expenditure.

7. It is observed that besides surrendering a portion of the original grant, additional grants obtained through the Supplementary Estimates are not utilised and that these additional grants are surrendered subsequently. In several cases, commitments are made and then Government approached for additional funds. All these indicate that *control over expenditure* is absent and that proposals for inclusion of provisions in the Budget are sent to Government without sufficient scrutiny of the proposals received from the subordinate Controlling Authorities and that no attention is given for economy in expenditure. In several cases explanations for variations have not been satisfactory and the Estimates sent to the Finance Department in several stages reveal that the Heads of Departments had not bestowed sufficient attention properly. In some cases, additional allotments were asked for merely on the basis of sanction to the Scheme without even examining whether expenditure to the extent noted in the sanction order could be incurred before the close of the year. Proposals for additional allotments should be submitted to Government in future based on the actual requirements during the financial year and based on sanctions. The most important factor to be borne in mind by Departments is that the State Government are in heavy overdraft with the Reserve Bank of India and that there is no scope for finding additional grants to meet expenditure beyond budgeted provisions. This means that efforts should ordinarily not be made for obtaining funds in excess of requirements.

8. To reiterate, in view of the continuing difficult financial position of the State, economy in expenditure is of utmost importance and Secretaries to Government, Heads of Departments and other Estimating Officers are requested to co-operate and see that *strict economy is enforced in incurring the expenditure provided for in the Budget Estimates for 1969-70 and avoid coming to Finance Department for additional grants.*

9. *Special instructions to Public Works Department.*—The Chief Engineers are particularly requested to note that the Finance Department will not entertain any proposal for additional grants for non-budgeted works or works falling under the category of 'NEW SERVICE' without specific sanctions of Government for taking up such works. The Secretary to Government, Public Works and Electricity Department is requested to see that the Public Works Department does not exceed the provision in the Budget and does not take up any non-budgeted works without prior sanction. Reference in this connection is invited to G.O. No. FD 65 BUD 67, dated 15th July 1967, regarding execution of Building works in the light of economy measures.

10. *Plan outlay.*—The year 1969-70 is the first year of the new Fourth Five-Year Plan. It is necessary that the Budget provisions for the several Plan Schemes included are properly spent to achieve the prescribed targets. The Centrally Sponsored Schemes can be implemented only with reference to Central assistance to be actually communicated by the Government of India, as what has been provided for in the Estimates is based on the State Government's own estimates of the probable Central assistance. The actual figures of assistance will be intimated to the Departments by the Administrative Secretariat or Finance Department etc., as and when sanctions are received from the Government of India. No outlay can, therefore, be incurred in excess of Central assistance actually sanctioned even though larger provisions might have been included in the Budget. The expenditure under various Heads of Development in the Plan *should be strictly limited to Plan ceilings fixed or modified later on.*

11. The Administrative Departments of Government are further requested to ensure not only that the Departments under their control strictly restrict the expenditure to the provisions in the Budget for 1969-70 as stated above, but also to advise Government about items of grant or expenditure which are not productive enough and which can be given up in the interest of the State's financial position. In no case should they recommend proposals for additional funds over and above the Budget grants, unless there are specific orders of Government sanctioning additional expenditure with the prior concurrence of Finance Department. Heads of Departments and Controlling Officers should note that no expenditure should be incurred anticipating Government sanction for the expenditure or additional funds.

12. The instructions contained in this Official Memorandum should be scrupulously followed as Finance Department is compelled to exercise very strict control over expenditure in order to enable Government to avoid deficit financing.

By Order and in the Name of the Governor of Mysore,

N. S. BHARATH,

*Budget Officer and Ex-Officio
Deputy Secretary to Government,
Finance Department.*

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Issues partial modification of G.O. No. F.D. 17 SRP (1) 68, dated 23rd January 1969 re. held over Dearness Allowances.

READ—

- (1) Government Order No. FD 17 SRP(1) 68, dated 20th March 1968.
- (2) Government Order No. FD 17 SRP (1) 68, dated 23rd January 1969.

PREAMBLE—

Certain cases have come up wherein difficulties have been expressed in investing the portion of Dearness Allowance held over for the period from 1st March 1968 to 31st December 1968 in the Five-Year Fixed Deposit Scheme and National Savings Certificates, etc. It is therefore proposed to make payment in cash.

ORDER No. FD 22 SRP(1) 69, BANGALORE, DATED THE 26TH MARCH 1969.

In partial modification of Government Order No. FD 17 SRP (1) 68, dated 23rd January 1969 read at Sl. No. 2 in the preamble, Government direct that amount due to the portion of Dearness Allowance held over for the period from 1st March 1968 to the end of December 1968 may be drawn and paid in cash to the categories of persons as indicated below :—

- (1) Government Servants who have retired;
- (2) Government Servants on leave preparatory to retirement or on refused leave;
- (3) Families of Government Servants who are dead;
- (4) Temporary Government Servants who are retrenched or discharged or who resigned from Government Service.

2. In case of other Government Servants wherein the amount due to the above said period result in fractional amounts not covered by multiples of Rs. 50 or Rs. 10 for investment in Five-Year Fixed Deposit Scheme or National Savings Certificates, such amounts less than Rs. 10 left over may be paid in cash.

By Order and in the name of the Governor of Mysore,

N. S. BHARATH,

*Deputy Secretary to Government,
Finance Department.*